

**RIK Support Contract:** On January 14, 2003, MMS awarded a contract to Lukens Energy Group (Lukens) of Houston, Texas for an independent assessment of the Federal RIK Program and the development of an RIK Business Plan. Contract work will include assessments of and recommendations on various operational and technical issues and preparation of an RIK Business Plan to cover the 2004-2008 timeframe.

The purpose of the consulting contract is to assist in the continuing development of a top-tier professional organization within MMS responsible for managing activities associated with commodity sales and/or exchanges of royalty crude oil and natural gas. The period of performance ends on January 30, 2005, with primary deliverables anticipated within approximately 8 months of contract award.

Lukens will focus significant attention on developing recommendations for a comprehensive suite of performance metrics for the monitoring and evaluation of the RIK program's performance. MMS anticipates that such performance metrics will reside within the RIK gas and liquids management systems being developed for full implementation later this fiscal year. The RIK management systems will provide MMS with the management control infrastructure necessary to make permanent and operational MMS' RIK program to be used for royalty asset management in tandem with the traditional cash royalty program.